

**Comments of the Alliance for Retail Energy Markets on the Track Two
Concept Paper and Data Request Template in the
Joint Reliability Plan Proceeding, R.14-02-001
*April 23, 2015***

The Alliance for Retail Energy Markets¹ (AReM) appreciates the opportunity to comment on the Track Two Concept Paper² and the associated Data Request Template, which were issued by Energy Division on March 25, 2015 and discussed at the April 9, 2015 workshop. In addition to general comments on the paper, Energy Division has requested specific comments on:

- Whether the fields in the proposed template for collecting contract data from load-serving entities (LSEs) are appropriate;
- What time of year responses to the template should be requested from LSEs;
- How much time LSEs should have to respond to the data request;
- How often the request for contract data from LSEs should be made;
- Whether a one-time request for contract data should be issued off schedule in the second quarter of 2015;
- Whether AReM agrees that the load forecast portion of the data base and any necessary adjustment factors needed to remove loads from publicly-owned utilities (POUs) could be addressed by CEC and CPUC staffs.

AReM provides responses to these questions below, as well as general comments on the Staff's Concept Paper.

General Comments on Concept Paper

AReM provides the following comments on the key issues raised at the April 9th workshop regarding the Concept Paper.

¹ AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California's direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members with respect to the issues addressed herein.

² *Joint Reliability Plan Track Two Unified Long Term Reliability Planning Assessment Tool Concept Paper*, CPUC Staff, R.14-02-001, March 25, 2015.

Usefulness of Proposed Model -- AReM believes that a key question to be addressed by Energy Division is whether the proposed model, with its associated complexities and uncertainties, will provide useful results to Commission staff and market participants that further meet the objective of Track Two, *i.e.*, providing a framework for evaluating the availability of generation resources to reliably meet load looking forward from one to ten years.³ AReM does not have expertise in conducting such database modeling, but is well aware of issues that arise in attempting to use such model outputs to support policy objectives. Several workshop participants suggested simplified approaches that may be more reasonable. AReM requests that Energy Division staff seriously consider such simplified approaches and only turn to complex modeling if the expected benefits derived from the output significantly outweigh the costs of time and materials needed to make the model workable and reliable.

Information of Most Value to Market Participants – Commission staff at the April 9th workshop asked parties to comment on what information or data output from the proposed model would be most valuable to market participants. Staff also explained that the primary output of this effort would be the number of megawatts at risk of retirement by type of RA capacity and location looking out ten years. AReM does not believe that this information holds particular value for LSEs, but recognizes that regulators and the CAISO may find it to be of interest in guiding policy development. AReM therefore requests that the Commission focus on minimizing the administrative burden to the LSEs of providing the data and on avoiding any duplicative data collection efforts.

Addressing POU Load and Supply Data in the Model – The Commission staff has asked whether there was a “consensus” reached at the April 9th workshop that the load forecast portion

³ Concept Paper, p. 1.

of the data base and any necessary adjustment factors needed to remove POU loads could be addressed by CEC and CPUC staffs.⁴ AReM believes that the discussion at the workshop focused on whether the CEC staff should have the lead in deciding how best to remove POU load data from its long-term load forecasts. At the workshop, AReM's representative noted that the CEC has the expertise to address this issue and thus should take the lead, but that the current coincident-load approach the CEC uses for setting the one-year RA requirements may not be appropriate for removing POU loads over the ten-year period proposed. That said, AReM is comfortable with the CEC taking the lead to resolve this issue.

In addition to addressing POU load-forecast data, however, the Commission must also decide how it will address POU *supply* data. The Commission runs the risk of undercounting available supply, if it ignores resources owned or contracted by POUs, some of which may have excess supply of RA capacity in certain years. AReM suggests that the Commission staff consult with the CAISO to determine how to address this issue.

Specific Comments on Data Request Template

AReM has reviewed the proposed template and considered the questions posed by Commission staff. In particular, AReM supports the staff's decision not to request market-price data from LSEs. Following is AReM's response to the questions raised by staff.

Data Fields – RA contracts held by electric service providers (ESPs) do not generally include the data requested in columns F through L. AReM suggests that, if Commission staff deems such data necessary, they obtain it from the CAISO. In addition, Column M, which requests monthly energy for each contract, does not seem to be applicable to this effort, which is evaluating available resource *capacity*. Further, ESPs may not have access to monthly energy

⁴ E-mail on April 10, 2015 from David Miller, CPUC Energy Division.

data under their RA capacity contracts with suppliers. Accordingly, AReM requests that the Data Request Template be revised to remove data fields F through M.

Timing of Data Request – LSEs are actively signing RA contracts primarily from June through September of each year. To take advantage of the most current contract data, AReM recommends that the Energy Division send its data request to LSEs in mid- to late October and ask LSEs to submit their responses by November 15. AReM does not oppose an annual request for such contract data, but suggests that, after the initial data request, future submissions by LSEs include only new contracts or substantive changes to contracts that have occurred since the last data request. AReM believes that a one-time, off-schedule request in the second quarter of 2015 is unnecessary and burdensome and thus should not be pursued.

Confidentiality and Public Release of Data – Individual LSE contract data should be deemed confidential pursuant to existing Commission rules. However, AReM supports public release of aggregated data, as was done for the Track One Staff Report.⁵ AReM believes that aggregated LSE contract data for each type of RA capacity (System, Local, Flexible) and by Local Capacity Areas would provide reasonable and adequate information to market participants without revealing confidential data.

⁵ *Joint Reliability Plan Track One Staff Report*, Meredith Youngheim, Energy Division, R.14-02-001, October 2, 2014, Figure 3, p. 20.